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C O N F I D E N T I A L SECTION 01 OF 02 KIEV 002316

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E.O. 12958: DECL: 06/14/2016 TAGS: <u>PGOV PINR SOCI MARR UP</u>

SUBJECT: UKRAINE: AT THE RADA, SIGNS OF AN ORANGE-BLUE

COALITION

Classified By: Ambassador for reasons 1.4 (b) and (d).

Summary

 $\P 1$. (C) At the June 14 parliament (Rada) session, Socialist Party leader Oleksandr Moroz attempted to revive talks to form an Orange coalition by dropping his demand to become Rada Speaker. In return, he asked Our Ukraine (OU) to divide all government posts, down to district chiefs, among the Orange partners in accordance with the March 26 parliamentary election results -- a demand that President Yushchenko's spokeswoman rejected later on June 14. Our Ukraine's point man in the coalition formation effort, Roman Bezsmertny, called on OU's potential partners to compromise and form a strong government capable of implementing serious economic and political reforms. Senior Party of Regions MP Mykola Azarov, looking straight at the OU Rada contingent, argued for the creation of a "broad coalition," stressing that Regions was professional and committed to democracy and Euro-integration. Tymoshenko Bloc (BYuT) leader Yuliya Tymoshenko blamed OU, and President Yushchenko personally, for failing to create an Orange coalition; BYuT, she said, would never join an Orange-Blue coalition, which she likened to "vinaigrette." Regions and OU MPs voted together to veto a measure on the number of committees in the Rada, prompting Communist MP Martynyuk, who chaired today's session, to remark -- to the cheers of Regions MPs -- that "maybe tomorrow a new coalition will be formed." The Rada will reconvene at 10:00 a.m. on June 15. Moderate Regions MP Volodymyr Makeyenko told us privately that an Orange-Blue deal could be done as early as the morning of June 15. He also warned that the Rada may vote tomorrow to authorize an inquiry into Sea Breeze and the events in Feodosiya; Makeyenko said he would likely chair the inquiry to keep it out of the hands of hotheaded Regions MPs who had disgraced themselves in Crimea. End summary.

Rada Reconvenes: Olive Branch From Moroz...

¶2. (SBU) At the June 14 Rada session, which opened not with fisticuffs but with a hearty bipartisan cheer for Ukraine's World Cup team, Socialist Party leader Oleksandr Moroz unexpectedly attempted to revive the Orange coalition talks by dropping his controversial demand to be made Rada Speaker (Ref A). In exchange, he called on Our Ukraine (OU) to agree to divide among Orange coalition partners all government positions, down to the district chief level, in accordance with the results of the March 26 parliamentary elections.

... Criticism From Bezsmertny...

¶3. (SBU) Foreshadowing the rejection of Moroz's offer that would come later on June 14 from President Yushchenko's spokeswoman, OU's point man in the coalition talks, Roman Bezsmertny, spoke eloquently about what he called the "difficult work" of a "genuine" democracy. Coalition formation in the Kuchma era had been simple, achieved with orders and threats. He called on all of OU's potential partners to "compromise" and form a coalition that would not be "weak" but instead capable of implementing serious economic and political reforms -- reforms that Bezsmertny said Moroz opposed. (Note: Moroz' counter-offer infringes on the president's constitutional power to name the leaders of the four "power ministries" -- the Ministries of Defense and Interior, the Security Service of Ukraine, and the Prosecutor General's Office -- as well as appoint oblast and rayon chiefs.)

...A Plea For A Broad Coalition From Regions...

14. (SBU) Senior Party of Regions MP Mykola Azarov used his turn at the microphone to argue for the creation of a so-called "broad coalition" between Regions and OU. Draped in a Team Ukraine soccer scarf, like all his Regions colleagues, Azarov -- looking directly at the OU contingent -- emphasized that Regions was professional, committed to democracy and "Euro-integration," and ready to start work "immediately."

...And Brimstone From Yuliya

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15. (SBU) A fired-up Yuliya Tymoshenko blasted OU, needling President Yushchenko for the failure to form an Orange coalition. Our Ukraine, she claimed, was merely going through the motions and would find "yet another excuse" to reject Moroz' olive branch. Tymoshenko stressed that her bloc (BYuT) would never join in OU's "broad coalition" with Regions, acidly referring to it as "vinaigrette", i.e., a combination of immiscible oil and vinegar. She praised two senior OU MPs who, in an OU political council meeting on June 13, argued against reaching out to Regions; one of the MPs, Mykola Katerynchuk, told the Rada that in an Orange coalition "some OU MPs would lose" but that in an Orange-Blue coalition "democracy would lose." BYuT, Tymoshenko emphasized, was ready to move into opposition with the SP.

A Sign Of Things To Come?

16. (SBU) After a break for faction leader negotiations, which went nowhere, the Rada voted down two proposals: one on the number of parliamentary committees and the other on changing the way the Rada's agenda is set. (Comment: The change in Rada procedures conceivably could have allowed deputies to elect a speaker in the absence of a governing coalition.) However, OU voted with Regions in vetoing the first measure, prompting Communist MP Adam Martynyuk, the provisional presidium member who chaired today's session, to remark -- to the cheers of Regions MPs -- that "maybe tomorrow a new coalition will be formed."

Tomorrow

17. (C) The Rada will convene again June 15 at 10:00 a.m. local time. Senior Regions MPs, including party leader Viktor Yanukovych, told the press following the Rada session that Regions would form a coalition "in a matter of days." In a private conversation with us, moderate Regions MP Volodymyr Makeyenko told us that the Orange-Blue deal could be done as early as the morning of June 15. Makeyenko also

warned us that the Rada may pass a resolution creating an ad-hoc investigatory committee into Sea Breeze and the recent protests in Feodosiya (Refs B and C). Makeyenko said that he would likely be named to chair the committee; moderate Regions MPs wanted to keep the committee "out of the hands" of hotheads like Yevhen Kushnarov. Makeyenko added that there "were a lot" of Regions MPs who were embarrassed by Kushnarov's antics in Crimea, and promised that, as committee chairman, he would "not make too much noise."

Comment

18. (C) Our Ukraine's effort to reach out to Regions and begin coalition formation talks apparently headed off a Regions attempt to alter the Rada's Rules of Procedures, elect a new Speaker, and use OU defectors to unconstitutionally form a new governing coalition (Ref D). MP Andriy Shevchenko, number five on the BYuT list, confirmed to us that Tymoshenko, Moroz and Bezsmertny met briefly at the Rada following the close of today's session, but there were no serious discussions about an Orange option. As of 1900, we have no information to suggest that the Orange players are talking, but understand that, as of 1900, OU's political council is meeting. Bezsmertny promised to call us with a readout once the session ends. Separately, Ukrainska Pravda is reporting that Yushchenko is insisting that a coalition be formed immediately, but that he cannot participate in the coalition talks and should only "judge the process."